



Document Title NEW RETAIL INDEPENDENT CUSTOMER SURVEY PROCESS	Issue Date 1/4/08	Document Number HSCSQRA-SEC-P017
Org. Office Healthcare Supply Chain Services Transportation and Warehouse Operations	Previous Issue New	Page [PAGE 1* MERGEFORM AT 12 of 1] Change Number DCN-1738

1.0 PURPOSE The federal Controlled Substances Act ("CSA") requires pharmaceutical wholesalers to maintain effective controls to guard against the diversion of controlled substances. The pharmaceutical distribution industry has the responsibility to improve the safety of the supply chain by monitoring the distribution of controlled substances to ensure that these critical medications are not being diverted for abuse. It is the responsibility of wholesale distributors to perform due diligence of customers to understand the customer's business and ensure that the customer is filling only prescriptions issued for a legitimate medical purpose. This New Retail Independent Customer Survey Process is an essential part of that due diligence process when it comes to evaluating accounts that express an interest in being new customers of Cardinal Health. No new retail independent accounts will be added as Cardinal Health customers unless they are first approved through this process.

2.0 SCOPE Cardinal Health requires that the guidelines and procedures described herein shall be followed by each of its officers, employees, agents, and consultants in pharmaceutical distribution sales, operations management, finance management, credit management, human resources and contract positions (collectively "associates").

3.0 INCLUDED ATTACHMENTS AND FORMS	HSCSQRA-SEC-P017/Form1	New Retail Independent Pharmacy Questionnaire
	HSCSQRA-SEC-P017/Form1	Compliance Representations and Warranties for Pharmacy Customers

4.0 POLICY

4.1 Procedure

- 4.1.1** All Independent Sales Force sales consultants ("Consultants") must complete and pass the mandatory Drug Diversion Control Program training for assessing new customers
- 4.1.2** Before any potential new retail independent customer(s) are accepted for sales of prescription pharmaceuticals, QRA must first evaluate and determine whether that account is acceptable from an Anti-Diversion standpoint.
- 4.1.3** The QRA review and approval must be done prior to review by other any other Cardinal Health departments including Credit/Finance.
- 4.1.4** Consultants are required as part of the new account (customer) approval process to complete the New Retail Independent Pharmacy Questionnaire ("Questionnaire"). The New Retail Independent Pharmacy Questionnaire template is set forth in HSCSQRA-SEC-P017/Form1.
 - The information to complete the Questionnaire must be obtained from the pharmacy owner.

DEFENDANT EXHIBIT
CAH-WV-00001

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- The Questionnaire along with accompanying photos of the pharmacy must be completed thoroughly and accurately.
- The completed Questionnaire must be sent to the Anti-Diversion Group in Corporate QRA (fax No. 614-652-4628 or email: [\[HYPERLINK mailto:gmbqraanti-diversion@cardinalhealth.com\]](#) [gmbqraanti-diversion@cardinalhealth.com](#).)

- 4.1.5** In addition to the Questionnaire, each pharmacy owner who wants to purchase product from Cardinal Health is required to sign a Pharmacy DEA Compliance Agreement and provide copies of the current ownership of the pharmacy and a copy of the application that was provided to the state Board of Pharmacy to obtain a license and the application made to the Drug Enforcement Administration to obtain a Certificate of Registration. The Pharmacy DEA Compliance Agreement template is set forth in HSCSQRA-SEC-P017/Form 2 and entitled "Compliance Representations and Warranties for Pharmacy Customers".
- 4.1.6** Employees who participate in, enable, or condone diversion, or otherwise violate the Know Your Customer Policies, including failure to report suspected diversion, failure to accurately and truthfully complete the Questionnaire, enabling improper sales into the Secondary Market, or failing to report suspicious activity by internet pharmacies are subject to discipline up to and including dismissal. Employees who report their own improper conduct will have self-reporting taken into account in determining the appropriate disciplinary action.
- 4.1.7** Completed Questionnaires sent to Anti-Diversion Group in Corporate QRA will be reviewed by Corporate QRA.
- 4.1.8** Corporate QRA shall verify the completeness of the information received and will review additional internal and external information to validate information provided.
- 4.1.9** Once the verification process is completed, a decision shall be made by Corporate QRA as to whether to approve the account.
- 4.1.10** Once the account is approved or denied, notification shall be provided to Credit/Finance, Customer Database – (CCDB) and the Consultant submitting the new customer for review.
- An ongoing list shall be maintained by Corporate QRA identifying any potential customers that were denied for diversion-related reasons.

5.0 APPLICABLE DOCUMENTS None

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Approvals on file in the Healthcare Supply Chain Services (Transportation and Warehouse Operations) Document Center		
Approvers:	Steve Reardon	Owner: Michael Mone' Doc Center: Pat Warner
Change History		
DCN-1738	1/4/08	Original issue of new policy.

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